



**BANGKOK
LIFE**

กรุงเทพประกันชีวิต



“Management Discussion and Analysis for 1st quarter 2024”



Executive Summary

Consolidated Baht, million

OPERATING RESULTS	Quarter 1/24	Quarter 1/23	Change YoY%	Quarter 4/23	Change QoQ%
Revenues					
Net premiums written ⁽¹⁾	7,884	8,043	-2.0	7,850	0.4
First Year Premium	1,600	2,198	-27.2	1,574	1.7
Bancassurance	1,122	1,441	-22.1	881	27.4
Agent Channel	398	353	12.7	557	-28.5
Other Channel	80	404	-80.2	136	-41.2
Renewal Premium	6,959	6,598	5.5	6,304	10.4
Total Investment Income ⁽²⁾	2,777	2,961	-6.2	3,174	-12.5
Fee and commission income	86	138	-37.8	34	155.2
Gain & Loss on revaluation and other income	144	(34)	-528.8	(110)	(230)
Total Revenues	10,891	11,108	-1.9	10,948	-0.5
Expenses					
Underwriting expenses	8,982	9,805	-8.4	9,723	-7.6
Operating expenses	407	395	3.0	458	-11.1
Expected Credit Loss	(5)	2	na	333	na
Total Expenses	9,384	10,202	-8.0	10,514	-10.7
Earning before tax	1,507	906	66.3	434	247.2
Net profit	1,241	756	64.2	358	246.5
Earnings per share (EPS)	0.73	0.44	64.9	0.21	255.8
Return on investment (ROI)	3.72%	3.69%	0.0%	4.14%	-0.4%
Capital Adequacy Ratio (CAR)	435%	369%	66%	405%	30.0%

⁽¹⁾ Net premiums written = first year premiums + renewal year premiums - premiums ceded ± unearned premium reserves

⁽²⁾ Total investment income = Net investment income + Gain on investment

- In the first quarter of 2024, Bangkok Life Assurance PCL reported a net profit of 1,241 million Baht, representing an earnings per share of 0.73 Baht, an increase of 65% YoY from a decrease in underwriting expenses.
- In the first quarter of 2024, the company recorded a total revenue of 10,891 million Baht, a decrease of 2% YoY due to the first-year premium (FYP) decreased by 27% YoY while the renewal year premium (RYP) increased by 6% YoY as expected.
- The FYP by distribution channel in the first quarter of 2024 was as follows: bancassurance, agent, and other channel accounted for 70%, 25% and 5%, respectively.
- The total investment income in the first quarter of 2024 was 2,777 million Baht, a decrease of 6% YoY. The reason was due to a decrease interest income, dividend and loss from selling securities. The return on investment (ROI) in 1Q24 was 3.72%
- Total expense in the first quarter of 2024 amounted to 9,384 million Baht, a decrease of 8% YoY. The main reason came from a decrease in reserve due to policy maturity.
- The Capital Adequacy Ratio (CAR) in the first quarter of 2024 was at 435%, an increase from 405% at the end of 2023, resulted from operating profit and policy maturity.

Performance Overview

Total Premium

In the first quarter of 2024, the company’s total premium amounted to 8,559 million Baht, a decrease of 3% YoY. Contribution of the total premium by distribution channel were bancassurance 54%, agent 35% and other channel 11%.

First Year Premium

In the first quarter of 2024, the company’s FYP was 1,600 million Baht, a decrease of 27% from the same period last year. The results were from the bancassurance channel, which FYP decreased by 22% from a high base as the company launched new products in the first quarter of 2023. Other channel’s FYP decreased by 80% from a decrease of FYP in group business, this was due to the company places more emphasis on profit margins rather than competing on price. The agent channel saw FYP increased by 13% YoY, resulted from effective campaigns and activities to motivate agent performance. The contribution by distribution channel was 70%, 25%, and 5%, respectively, for bancassurance, agent, and other channel.

Renewal Year Premium

In the first quarter of 2024, the company had a renewal year premium of 6,959 million Baht, an increase of 6% from the same period last year as expected. The results were from other channel and bancassurance channel, which RYP increased by 45% and 3%, respectively. The contribution by distribution channel was 50%, 37%, and 13%, respectively, for bancassurance, agent, and other channel.

Figure 1: Total Premium by channels (Baht: million)

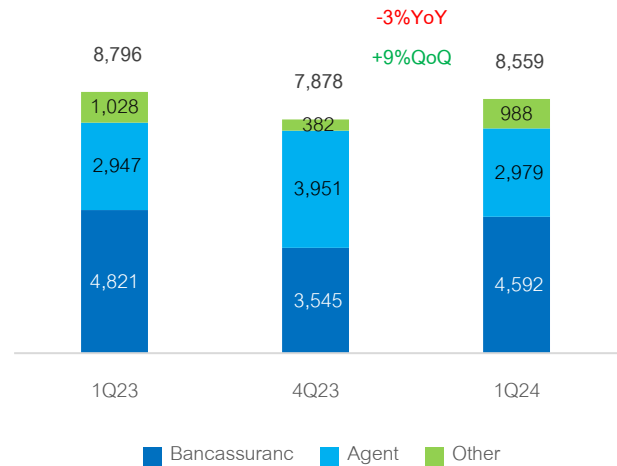


Figure 2: First Year Premium by channels (Baht: million)

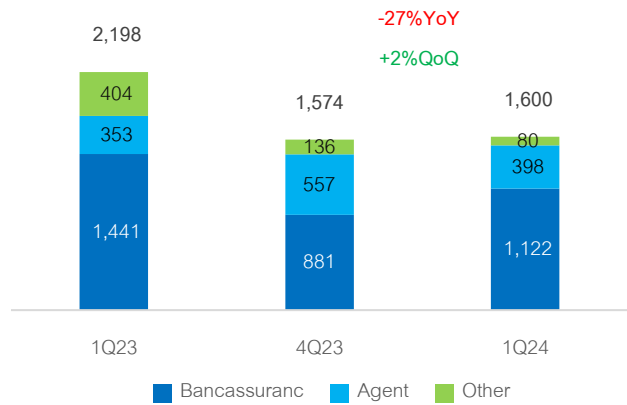
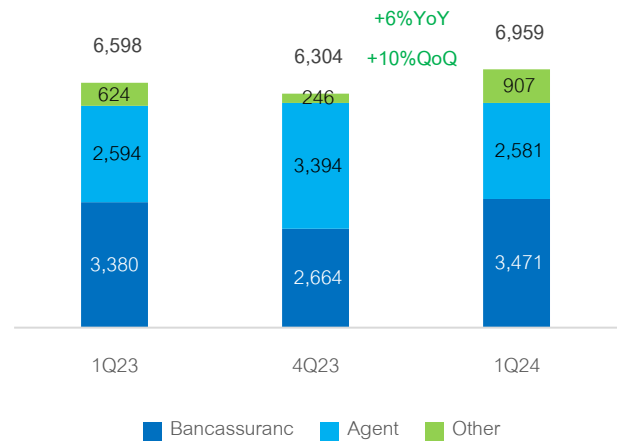


Figure 3: Renewal Premium by channels (Baht: million)



Investment Asset and Investment Return

In the first quarter of 2024, the Company’s total investment asset was 301,185 million Baht, a decrease of 5% from the end of 2023, resulted from payment of maturing policy benefits. The Company’s investment proportion in fixed income was 84%, equity at 9% and REIT at 4%. The proportion of short terms investment decreased from the end of 2023 due to maturity of policies payment.

In the first quarter of 2024, the Company’s investment income⁽³⁾ was 2,854 million Baht, a decrease of 6% from the same period last year. This resulted from a decreased in interest and dividend income and losses from selling securities. Excluding realized gain, interest and dividend income decreased 5% YoY.

In the first quarter of 2024, the return on investment (ROI) equals 3.72%, increasing from 3.69% in the same period last year, and decreasing from 4.14% in the previous quarter. Investment yield (including interest and dividend income) was at 3.73%, increasing 7 bps YoY and increasing 14 bps QoQ.

Table 1: Investment Assets as of 1Q2024

Investment assets	2023	1Q24	change
Short-term investment	5.1%	0.8%	-4.3%
Bond	50.0%	53.0%	3.0%
Debenture & Note	29.7%	30.3%	0.6%
Total Fixed income	84.8%	84.1%	-0.7%
Equity	8.1%	8.7%	0.6%
REIT	3.4%	3.5%	0.1%
Policy Loans	3.1%	3.2%	0.1%
Secured Loans	0.6%	0.5%	-0.1%
Total Investment assets (MB)	316,736	301,185	-4.9%

Figure 4: Investment Income (Baht Million)

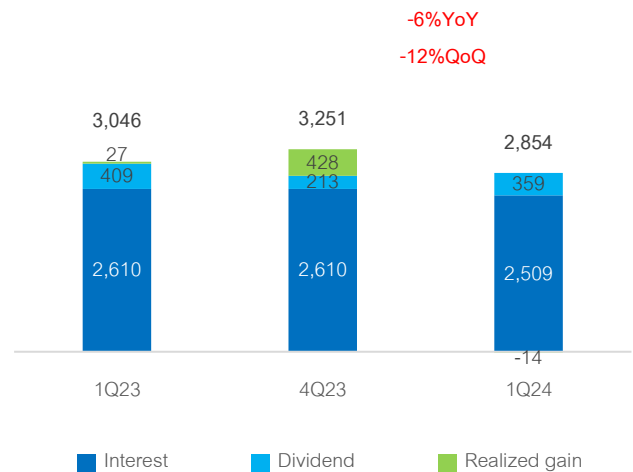
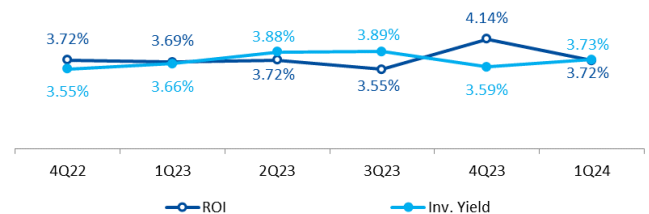


Figure 5: Return on Investment

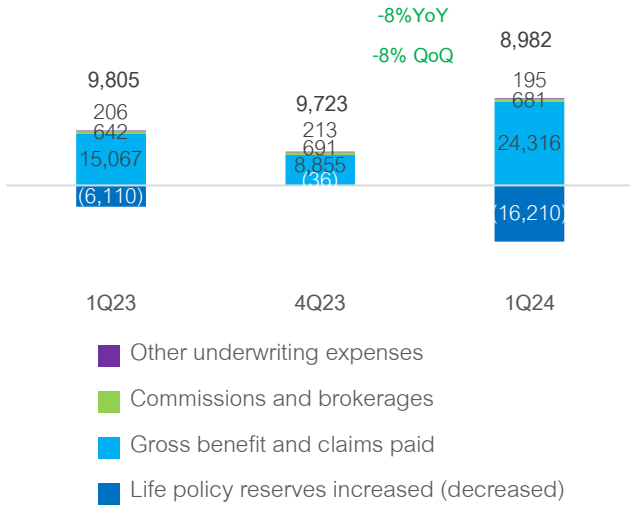


(3) Interest income + Dividend + Profit (Loss) from Investment

Underwriting Expenses

In the first quarter of 2024, the company's underwriting expenses totaled 8,982 million Baht, a decrease of 8% YoY. The reason came from a decrease in life policy reserves from maturing policies.

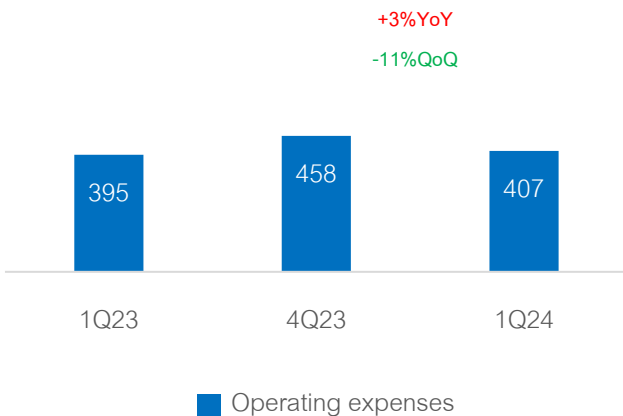
Figure 6: Underwriting Expenses (Baht, million)



Operating Expenses

In the first quarter of 2024, the Company had an operating expense of 407 million Baht, an increase of 3% from the same period last year. The reason was due to technology system development expenses. The company continues to focus on expense management.

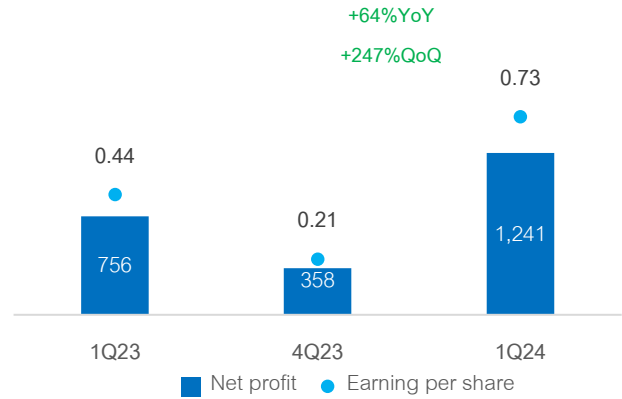
Figure 7: Operating Expense (Baht, million)



Net Profit

In the first quarter of 2024, the Company had a net profit of 1,241 million Baht, an increase of 64% from the same period last year and an increase of 247% from the previous quarter, representing an earnings per share of Baht 0.73.

Figure 8: Net Profit (Baht, million) and earning per share (Baht)



Capital Adequacy and Risk-Based Capital (RBC)

In the first quarter of 2024, the Company's Capital Adequacy Ratio ("CAR") was 435%, an increase from 405% at the fourth quarter of 2023, resulted from operating profit and policy maturity.

Summary of Financial Position as of 31 March 2024

Condolidated Baht, million

	31-Mar-24	%	31-Dec-23	%	Change	%
Assets						
Cash and cash equivalents	2,566	0.8%	16,084	4.9%	(13,518)	-84.0%
Premiums due and uncollected	2,283	0.7%	1,599	0.5%	684	42.8%
Accrued investment incomes	2,530	0.8%	1,471	0.5%	1,059	72.0%
Investments ⁽⁴⁾	298,737	96%	300,772	92%	(2,035)	-0.7%
Premises and equipment	1,979	0.6%	2,003	0.6%	(24)	-1.2%
Other assets	4,030	1%	4,002	1.2%	28	0.7%
Total Assets	312,125	100%	325,931	100%	(13,806)	-4.2%
Liabilities and equity						
Life policy reserves	258,021	82.7%	274,230	84.1%	(16,209)	-5.9%
Other insurance contract liabilities	5,064	1.6%	4,667	1.4%	397	8.5%
Other liabilities	2,967	1.0%	2,599	0.8%	368	14.2%
Total liabilities	266,052	85%	281,496	86%	(15,444)	-5.5%
Retained earnings	5,069	1.6%	5,069	1.6%	-	0.0%
Unrealized gain on investment	39,081	13%	37,825	12%	1,256	3.3%
Non-controlling interests of the subsidiaries	1,923	0.6%	1,541	0.5%	382	24.8%
Total equity	46,073	15%	44,435	14%	1,638	3.7%
Total liabilities and equity	312,125	100%	325,931	100%	(13,806)	-4.2%
Book value/Share	26.98		26.02			

⁽⁴⁾ Excluded short-term investment which was included in Cash and cash equivalents item

Assets

Total assets as of 31 March 2024 was 312,125 million Baht, decreased from 31 December 2023 by 4% or 13,806 million Baht. The reason was impacted from a decrease in investment asset from matured policies. The majority of the company's assets were investment asset and cash equivalents, which accounted for 97% of total assets and accounted for 117% of life policy reserves.

Liabilities and Equity

Total liabilities as of 31 March 2024 decreased 6% from 31 December 2023. The decrease mostly came from the decrease in life policy reserves.

The total equity as of 31 March 2024 was 46,073 million Baht, an increase of 1,638 million Baht or 4% from 31 December 2023. The increase came from net profit of 1,256 million Baht. Book value per share (BV/share) was at 26.98 Baht per share.

Financial Ratios

Financial ratio	Quarter		
	1Q24	1Q23	4Q23
NI / Total income	11.4%	6.8%	3.3%
NI / Net premium	15.0%	9.0%	4.7%
Life policy reserve / Net premium	-195.6%	-72.3%	-0.5%
Underwriting expenses / Net premium	108.4%	116.1%	126.6%
Operating expenses / Net premium	4.9%	4.7%	6.0%
Investment assets / Total asset	96.5%	96.8%	97.2%
Investment assets / Life policy reserve	116.8%	115.6%	115.5%
Return on investment (ROI)	3.7%	3.7%	4.1%
NI / Average equity	11.0%	6.7%	3.3%
NI / Average assets	1.6%	0.9%	0.4%
CAR ratio	435%	369%	405%

Industry Overview

In the first quarter in 2024, life insurance industry reported a new business premium amounting to 45,890 million Baht, an increase of 2% YoY, resulted from an increase in single premium by 15% YoY mainly from whole life product. Renewal year premium and total premium compared to the same period last year increased by 6% and 5%, respectively.

For new business premiums by distribution channels. Agent channel increased by 11% YoY, this mainly due to the rise of single premium from whole life products. Agent channel FYP accounted for 35% of the industry’s total FYP.

Bancassurance channel FYP decreased by 4% YoY, which accounted for 49% of total FYP. The decrease was mainly due to a decrease in endowment and MRTA product sold during the period.

Other channel FYP increased by 5% YoY, accounted for 16% of total FYP. The drivers in this channel are from broker channel and other channel.

Figure 9: Life Insurance Industry Premiums

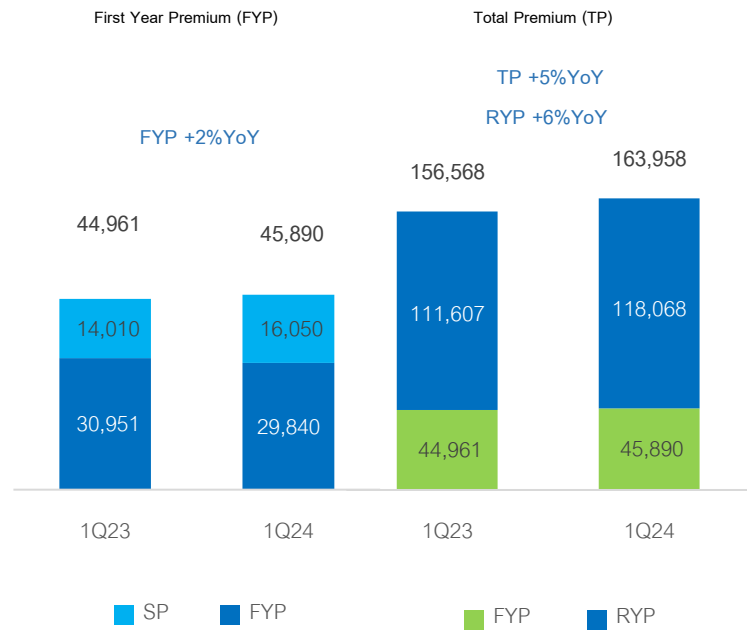


Figure 10: Industry New Business Premiums by products

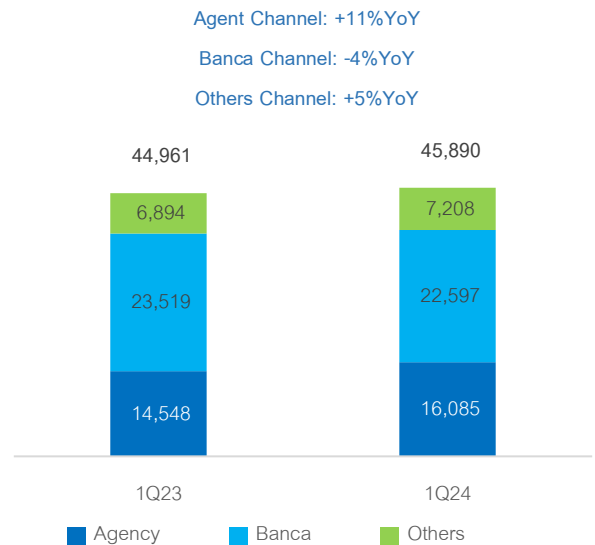


Figure 11: Industry New Business Premium by Channels

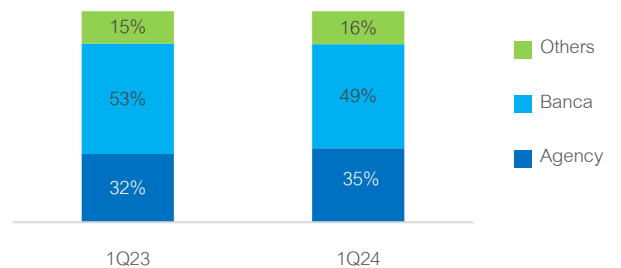


Table 2: Life Insurance Premiums market share (%)

As of 31 March 2024

(Baht: million)

Ranking by FYP	Company	First year premium	Market share by first year premium (%)
1	AIA	8,444	18.4%
2	FWD	8,018	17.5%
3	TLI	7,105	15.5%
4	MTL	5,387	11.7%
5	PLT	3,113	6.8%
6	KTAL	3,071	6.7%
7	GT	1,921	4.2%
8	AZAY	1,738	3.8%
9	BLA	1,629	3.6%
10	DLA	1,341	2.9%

Ranking by TP	Company	Total premium	Market share by total premium (%)
1	AIA	39,411	24.0%
2	FWD	28,977	17.7%
3	TLI	21,370	13.0%
4	MTL	18,226	11.1%
5	KTAL	11,511	7.0%
6	AZAY	9,217	5.6%
7	BLA	8,606	5.2%
8	PLT	8,469	5.2%
9	OLIC	3,424	2.1%
10	GT	3,386	2.1%

Source: The Thai Life Assurance Association